

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 032784

70

ORIGIN ARA-10

INFO OCT-01 ISO-00 /011 R

66610

DRAFTED BY: ARA:NC:MCFORRESTER

APPROVED BY: ARA/LA/PLC-MR BLOOMFIELD

NC - MR DEVINE

----- 096107

P 191943Z FEB 74

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS PRIORITY

LIMITED OFFICIAL USE STATE 032784

FOLLOWING REPEAT CARACAS 1441 ACTION SECSTATE INFO BEIRUT
JAKARTA JIDDA KUWAIT LAGOS LIMA LONDON PORT OF SPAIN QUITO
TEHRAN TRIPOLI VIENNA DHAHRAN OECD PARIS 14 FEB

QUOTE

LIMITED OFFICIAL USE CARACAS 01441

E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: VIEWS OF OPEC GOVERNOR ON CURRENT PETROLEUM DEVELOPMENTS

1. FOLLOWING NEWS OF SUCCESSFUL OUTCOME OF WASHINGTON ENERGY
CONFERENCE, PETATT HAD MEETING FEB. 14 WITH JOSE DE LOS RIOS,
VENEZUELA'S OPEC GOVERNOR, LATTER OBSERVED THAT VENEZUELA HAS LONG
RECOGNIZED RIGHT OF OIL IMPORTING COUNTRIES TO FORM AN IMPORTERS'
ORGANIZATION, BUT HE EMPHASIZED THAT IN MEETING BETWEEN PRODUCER
AND CONSUMER COUNTRIES VENEZUELA WILL WANT TO DISCUSS MORE THAN
JUST OIL PRICES. IT WILL WANT TO DISCUSS RISING PRICES OF INDUSTRIAL
AND OTHER PRODUCTS EXPORTED BY INDUSTRIALIZED COUNTRIES AND WAYS AND
MEANS TO PROTECT OIL EXPORTING COUNTRIES FROM SUCH PRICE RISES AFFECT-

ING THEIR IMPORTS. PETATT EXPRESSED PERSONAL VIEW THAT ANY AGREEMENT
ON OIL PRICES ULTIMATELY ARRIVED AT BETWEEN PRODUCERS AND CONSUMERS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 032784

WOULD HAVE TO BE REVIEWED FROM TIME TO TIME TO TAKE ACCOUNT OF

INFLATION AND OTHER RELEVANT FACTORS.

2. DE LOS RIOS ALSO EXPRESSED FEAR THAT U.S. GOVERNMENT MIGHT BE ENGAGED IN AN ATTEMPT TO LINE UP LDC OIL IMPORTING COUNTRIES AGAINST VENEZUELA AND OTHER PRODUCER COUNTRIES. PETATT ASSURED HIM THAT SUCH IS NOT THE CASE AND THAT U.S. AIM IS NOT CONFRONTATION BUT IS RATHER A BRINGING TOGETHER OF INTERESTED PARTIES, BOTH PRODUCERS AND CONSUMERS, TO ARRIVE AT EQUITABLE OIL SUPPLY ARRANGEMENTS.

3. DE LOS RIOS, SPEAKING PERSONALLY AND NOT ON BEHALF OF THE MINISTRY,

EXPRESSED THE VIEW THAT OPEC HAS PUSHED UP OIL PRICES TOO QUICKLY AND TOO FAR AND THAT THERE WILL HAVE TO BE SOME READJUSTMENT. EVEN AFTER A PRICE ADJUSTMENT, DE LOS RIOS AGREED, PRODUCING COUNTRIES WILL STILL HAVE TO FIND MEANS OF ASSISTING POORER LDC'S WITH THEIR OIL IMPORTS. HE NOTED THAT U.S. CONGRESS HAS REFUSED REPLENISHMENT FOR IDA AND SUGGESTED THAT IN HIS OPINION IT WOULD BE EMINENTLY LOGICAL FOR OIL PRODUCING COUNTRIES WHICH WILL HAVE LARGEST PAYMENTS SURPLUSES TO PICK UP THIS BURDEN. HE SAID THAT VENEZUELA IS CONSIDER-

ING THE IDEA OF SETTING UP A SPECIAL FUND IN WORLD BANK AFFILIATE IDA (NOT IDB), WHICH COULD MAKE LOANS ON CONCESSIONAL TERMS FOR OIL PURCHASES.

4. VENEZUELA HAD HOPED TO HAVE OPEC MEETING FEBRUARY 18 TO CONSIDER MEANS OF FINANCING LDC OIL NEEDS BUT IT NOW APPEARS THAT THIS MEETING WILL NOT TAKE PLACE OWING TO OPPOSITION OF SEVERAL MEMBER COUNTRIES, WHICH HE DID NOT IDENTIFY. THIS WAS TO HAVE BEEN FOLLOWED BY MEETING OF OPEC ECONOMIC COMMITTEE ON FEB 25 TO CONSIDER OIL PRICES. THIS MEETING MAY STILL TAKE PLACE, DE LOS RIOS BELIEVES THAT THE OPEC COUNTRIES WILL ALSO WANT TO HAVE A FULL OPEC MEETING TO COORDINATE THEIR POSITION PRIOR TO MEETING WITH CONSUMER COUNTRIES. MCCLINTOCK UNQUOTE KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, LESS DEVELOPED COUNTRIES, FOREIGN MINISTERS MEETINGS, PRICES, IMPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE032784
Document Source: CORE
Document Unique ID: 00
Drafter: ARA:NC:MCFORRESTER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740224/aaaaawdd.tel
Line Count: 94
Locator: TEXT ON-LINE
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAR 2002 by shawdg>; APPROVED <01 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VIEWS OF OPEC GOVERNOR ON CURRENT PETROLEUM DEVELOPMENTS
TAGS: ENRG, VE, US, OPEC, (DE LOS RIOS, JOSE)
To: ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005